



Foreign Agricultural Service

**GAIN Report**

Global Agriculture Information Network

Voluntary Report - public distribution

Date: 7/25/2000

GAIN Report #IT0703

**Italy**

**Product Brief**

**The Italian Beer Market offers few Opportunities  
for U.S. Exports.  
2000**

Prepared by:

**Robert H. Curtis**

**U.S. Consulate - Milan**

Drafted by:

Jodi Cali

---

**Report Highlights:**

**Italy imports nearly one fourth of the beer consumed, mostly from neighboring European producing countries. While beer consumption has more than doubled in the last 25 years, and wine consumption is halved, the opportunities for US exports are few given high tariff rates and transportation costs from the United States.**

**Most successful US companies have their breweries already established in Europe and thereby avoid these high tariffs and transportation costs.**

---

Includes PSD changes: No  
Includes Trade Matrix: No  
Unscheduled Report  
Milan[IT2],IT

## **SUMMARY: Italian beer consumption doubled; wine consumption halved.**

Italian per capita beer consumption rapidly increases each year while per capita wine consumption slides downwards. Nevertheless, things aren't as drastic as this sounds. Italy has the lowest beer per capita consumption of all other EU member countries, only 28 liters, but consumers, especially the younger generations are attempting to quickly overcome this. Italians consumed 104 liters of wine on a per capita basis and almost 13 liters of beer in 1975. In 1998 wine per capita consumption stands is halved to 52 liters and beer consumption has more than doubled to 28 liters.

Imports account for around 25% of all beer consumption. Almost all imports are from neighboring EU member countries. Some Chinese beer, Tsing Tao, is imported and served in Chinese restaurants. Corona and Dos XX are available in some Mexican and Tex-Mex restaurants and bars.

U.S. export opportunities are very limited given high transportation costs from the United States to Italy. Plus import tariffs favor EU produced products. Budweiser is a well-known American beer in Italy. However, it is produced in Europe, not the United States.

Niche market opportunities exist for a few U.S. micro-breweries that offer tastes, flavors or images unavailable in Italy. The challenge for US exporters is great and unless contacted by Italian importers or distributors the effort to cultivate this market in search of sales opportunities just doesn't exist.

## **CONSUMPTION PATTERNS: "Altra birra!"**

The Italian Brewers' Association data shows that per capita beer consumption in Italy has increased steadily over the past two decades. Despite Italy's image of a wine producing and consuming country (Italy and France are the largest wine producers in the world), per capita wine consumption has been halved. Stronger alcoholic beverages have also noticed a sharp decline.

This decline in wine consumption and increase in beer consumption is easily explained. The northern industrial region, extending from Florence to the northern borders, permit little time for long lunches conducive to wine drinking. A northern business person's or worker's lunch at a cafeteria, quick restaurant or bar consists of a quick sandwich, or pasta, accompanied usually by water or soda, maybe even a beer. While wine is available by the glass for lunch, or even in small bottles for one person, it isn't often consumed in the north for lunch.

Italian youth are an MTV-influenced group. Beer and soda fits into television advertising. Italian wine producers are generally small in size compared to beer producers and can't afford the extensive and expensive television, magazine and newspaper advertising supplied by the beer and soda companies. The youth also have the image of Zio Beppe or Grandpa sipping wine for lunch while snoozing in the sun until dinner while beer is drunk more quickly to accommodate the faster, mobile, ever-changing lifestyle of Italy's younger generations.

Beer sales are highest during the warmer months, May through August. This is also coincides with the largest numbers of northern European tourists who have a stronger demand for beer consumption. In 1998, these four months accounted for nearly half of total yearly sales.

With over half of beer consumption occurring in the home, bottled beer is important in Italy. The Hotel and Restaurant Industry accounts for around 45% of consumption.

Italian microbreweries and English style pubs, selling Guinness and other English-style beers, are very popular in Italy. In addition, U.S. Tex-Mex/Western style bars are also gaining popularity; these bars and restaurants normally serve Budweiser and Corona beer.

Roughly 65% of beer produced in Italy is 'normal' beer, 32% is 'special types', 1% is 'double malt', 2% is low alcohol beer and less than 1% is non-alcoholic beer.

Low-alcohol and non-alcohol beers are not new to the Italian market and they have never generated much demand. Data suggests that consumers prefer water or sodas to the flavor provided by low-alcohol or non-alcohol beer.

## **PRODUCTION: Level over the years.**

Italy is the EU's 7th largest producer of beer, however Italy accounted for only about 4% of total EU beer production. Italian beer production totalled 12.2 million hectoliters in 1998. The level of production has been relatively stable over the years. Foreign brewers operating in Italy accounted for a large part of domestic beer production, especially Heineken and Carlsberg.

Nearly three-fourths of Italian-produced beer is packaged in bottles with only 10% packaged in cans. A little over 15% of Italian-produced beer is packaged in kegs for sale on tap through the HRI sector, which also sells beer in bottles and cans.

Four of the five major brewers in Italy have their headquarters and the majority of their combined breweries located in the Northern regions of the country. This is a basic rule of thumb for Italian industries overall. The factories, breweries, bottlers, and main offices are located in the north and there are a few smaller producers in the south.

The five main brewers operating in Italy are all members of the Italian Brewers' Association, Assobirra. These five main brewers dominate sales of beer and include the following: Heineken Italia Spa, Spa Birra Peroni Industriale, Carlsberg Italia spa, Birra Forst Spa and Castello Di Udine Spa. Heineken is the dominant brewer in Italy with 36% of the market in 1998, Peroni has 28%, Carlsberg has 10%, Birra Forst's share was 4% in 1998, and the other two account for less than 1% each.

Two Italian produced beers have done spectacularly well at the London Beer and Cider competition over the last few years. Peroni's Doppio Malto (double malt, a dark, tasty beer) won best of show over all other beers recently and Mena Breha has won the Pilsner beer competition a few times.

## **TRADE: Opportunities for Specialized US beers; but European Beer wins.**

The U.S. is not a major supplier of beer to Italy because beer imported from non EU sources carry high tariffs, while beer from other EU countries carry no tariffs. Add the expensive transportation costs to get beer from the United States to Italy and you quickly understand that US beer exports to Italy is not an activity for many US companies unless they are already producing or distributing in Europe. If your US beer is already in the European Union you avoid detailed Italian custom inspection, there is no additional tariff to transport a product between European Union countries, and your labels probably already comply with the Italian market.

The other option is if your beer has an exceptional quality. The Agricultural Trade Office in Milan has received requests from importers for beer with tequila, beer with jalapeno peppers, beer with non-normal names and beer from small specialized breweries.

Italy exports small amounts of beer by comparison to the large amounts of wine it exports each year. Only 3% of Italian produced beer (373,000 hl) was exported in 1998. The amount of beer imported is approximately ten times the amount exported, or roughly 4.0 million hectoliters. Many of the EU member countries are known for their beer production and exports, e.g. Germany (who in 1998, was responsible for 43% of beer imported to Italy), The Netherlands (who recently surpassed the UK export quantities), the UK and Belgium.

## **Export Suggestions: or OK, I think my product has a shot in this market!**

Work with a major Italian importer and distributor. This is already a major limitation because there are only a few major importers/distributors that cover a large territory in Italy.

The importer should know the import and labeling rules and regulations, or at least know where to find out about them. Follow his guidelines and suggestions. If you find he is asking you about Italian import procedures you have got the wrong business partner and you both will spend a lot of time and effort getting your product into the country. In these situations, he normally still winds up with a profit at your expense.

If the business situation or contract doesn't seem right pull up stakes and start with another company. At the first hint of possible problems contact a lawyer specialized in international trade to assist you. (The US Embassy/Consulate maintains a list of US and Italian lawyers in Italy and their specialization: this is not a recommendation of these lawyers, but just a compilation to assist US businesses). A few Italian businesses understand US companies are reluctant to consult legal counsel and these Italian companies generally get what they want at the expense of the American company. The Italian legal system does not normally handle trade disputes in a quick manner, seven years is often the rule of thumb, unless you can influence a judge to see your case before others. Interpretation is based upon Italian laws, not US laws. So a clear and obvious solution to you isn't necessarily what an Italian judge will find. Nevertheless, the fact that your lawyer is contacting a company often causes incredibly difficult disputes to be resolved immediately.

## **PRICES**

Current supermarket prices reflect a 33 milliliter bottle costing from 50 cents to over one US dollar for the Peroni Doppio Malto. Normally beer is sold in packages of three bottles. A question for grad school students to ponder and possible thesis subject is why do they sell beer in three packs in Italy and we sell it in six-packs?

## **LABELING, LICENSING AND LAWS**

Please see the Food and Agriculture Import Regulations Report available at [www.usdaitaly.org](http://www.usdaitaly.org). Please also see the FAS Brussels homepage for updated information on EU rules and regulations.

### **Beer Definition:**

According to the summary of Article 1 of Law no. 1354 of 16th August 1962, 'beer' is defined as a fermentation of a must of barley malt and hops. Other cereals may be added to the must provided they do not exceed 40% of the volume. It also defined 'non-alcoholic beer' as containing no more than 1.2% alcohol by volume. 'Light beer' is defined as containing between 1.2% and 3.5% alcohol by volume, and 'normal beer' as containing above 3.5% alcohol by volume. A 'special beer' contains not less than 12.5% sacchariferous material in the must and a 'double malt beer' not less than 14.5%.

### **Advantages/Disadvantages:**

Beer consumption increasing rapidly / few opportunities for US beer  
Few US beers found in Italy / European competition is stiff with lower tariffs and transport costs  
US specialized beers have market niche opportunities / these opportunities are small  
US beers known world wide / most reliable importers already import some US beer

